

ANNUAL BUDGET OF

MOQHAKA LOCAL

MUNICIPALITY

2013/14 TO 2015/16

MEDIUM TERM REVENUE AND

EXPENDITURE FORECASTS

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Part 1 – Annual Budget

Executive Summary

On 29 May 2013 the Council of Moqhaka Local Municipality met in the Council Chambers of Moqhaka Local Municipality for the council to approve the annual budget of the municipality for the financial year 2013/14.

National Treasury's MFMA Circular No.66 and 67 were used to guide the compilation of the 2013/14 MTREF.

The main challenges experienced during the compilation of the 2013/14 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continues to exceed consumer inflation, as well as the need to fill critical vacancies;
- Availability of affordable capital/borrowing.

The following budget principles and guidelines directly informed the compilation of the 2013/14 MTREF:

- The 2013/13 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2013/14 annual budget;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2013/14 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2013/14 MTREF

R thousand	Adjustments Budget 2012/13	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Total Operating Revenue	551 162	592 462	624 455	658 176
Total Operating Expenditure	544 162	582 432	618 319	648 193
(Surplus)/Deficit for the year	6 989	10 030	6 136	9 982
Total Capital Expenditure	56 487	105 554	38 145	38 478

Total operating revenue has grown by 6.97% for the 2013/14 financial year when compared to the 2012/13 Adjustments Budget. For the two outer years, operational revenue will increase by 5.1% for both years

Total operating expenditure for the 2013/14 financial year has been appropriated at R582 million and translates into a budgeted surplus of R10 million. When compared to the 2012/13 Adjustments Budget, operational expenditure has grown by 6.7% in the 2013/14 budget and by 5.1% for each of the respective outer years of the MTREF. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R105.6 million for 2013/14 is 40% more when compared to the 2012/13 Adjustment Budget. The increase is due to an allocation of R36 million from the Department of energy for the electricity related projects.

A substantial portion of the capital budget will be funded from grant funding over MTREF with gazetted grants of R95.5 million as per the DORA allocation for 2013/14.

1.1 Operating Revenue Framework

For Moqhaka Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Efficient revenue management, which aims to ensure a 80% annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2013/14 MTREF (classified by main revenue source):

Table 2 Summary and Percentage growth of revenue classified by main revenue source

	Adjusted Budget 2012/13	2013/14 Medium Term Revenue & Expenditure Framework			
		Budget Year 2013/14	% +/-	Budget Year +1	Budget Year +2
Property Rates	42 750	50 524	6.5%	53 252	56 128
Service Charges : Electricity	220 545	233 226	5.4%	245 820	259 094
Service Charges : Water	68 846	82 219	16.3%	86 659	91 338
Service Charges : Sanitation	21 747	23 052	5.7%	24 297	25 609
Service Charges : Refuse	12 322	13 061	5.7%	13 766	14 510
Rental of facilities	4 571	5 277	13.8%	5 562	5 862
Interest : External investments	500	500	-	527	555
Interest : Outstanding Debtors	5 000	5 000	-	5 270	5 555
Dividends received	17		-		
Fines	753	854	11.8%	900	949
Transfers recognised operational	166 803	170 462	2.1%	179 667	189 369
Other Revenue	7 308	8 287	11.8%	8 734	9 206
Total Revenue (Excluding capital transfers)	551 162	592 462	7%	624 455	658 176

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2013/13 financial year, revenue from rates and services charges totalled R366 million. This increases to R402 million, R423 million and R447 million in the respective financial years of the MTREF.

Other revenue consists of various items such as income received from building plan fees, connection fees, advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totals R167 million in the 2012/13 financial year and steadily increases to R170 million by 2013/14.

Table 3 Operating Transfers and Grant Receipts

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
RECEIPTS:								
Operating Transfers and Grants								
National Government:	107 835	137 739	145 647	165 544	166 803	170 462	169 542	171 517
Local Government Equitable Share	105 820	135 789	142 173	163 244	163 244	164 486	167 008	168 900
Municipal Systems Improvement	735	750	790	800	800	890	934	967
Finance Management	1 280	1 200	1 450	1 500	1 500	1 550	1 600	1 650
EPWP Incentive			1 234		1 259	1 000		
LG Seta						2 536		
Provincial Government:	15 564	-	-	-	-	-	-	-
LG Seta								
District Municipality:	12 003	-	-	-	-	-	-	-
<i>Fezile Dabi District Municipality</i>	12 003							
Other grant providers:	-	-	-	-	-	-	-	-
<i>[insert description]</i>								
Total Operating Transfers and Grants	135 402	137 739	145 647	165 544	166 803	170 462	169 542	171 517

Capital expenditure of Transfers and Grants

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
MIG	32 144	38 661	46 896	46 896		44 524	38 145	36 238
RBIG			8 000	8 000		15 000		
DoE	4 000	976	2 000	2 000		36 000		
Total Capital Grants	36 144	39 637	56 896	56 896	-	95 524	38 145	36 238

1.2 Operating Expenditure Framework

The Municipality's expenditure framework for the 2013/14 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2013/14 budget and MTREF (classified per main type of operating expenditure):

Table 4 Summary of operating expenditure by standard classification item

Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure By Type								
Employee related costs	120 835	134 231	156 390	170 535	170 535	178 254	180 782	190 544
Remuneration of councillors	12 009	12 592	14 128	14 955	14 955	16 036	16 902	17 815
Debt impairment	39 953	36 121	19 102	35 206	41 553	41 000	43 214	45 548
Depreciation & asset impairment	47 920	49 657	12 133	27 333	27 333	28 893	26 751	28 195
Finance charges	10 879	10 368	17 479	9 364		5 275	5 560	5 860
Bulk purchases	88 740	111 831	142 222	160 841	162 200	176 880	186 432	196 499
Contracted services	6 482	6 189	8 465	10 924	10 349	11 409	12 025	12 674
Transfers and grants	–	–	7 814	–	–	–	–	–
Other expenditure	44 714	47 082	105 035	89 603	117 248	124 685	146 653	154 572
Loss on disposal of PPE	20 625	22 487	138				–	–
Total Expenditure	392 158	430 558	482 906	518 761	544 173	582 432	618 319	651 707

The budgeted allocation for employee related costs for the 2013/14 financial year totals R178 million, which equals 30.6% of the total operating expenditure. Based on the multi-year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.85 per cent for the 2013/14 financial year. An annual increase of 6.4 per cent has been included in the two outer years of the MTREF.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 80%. For the 2012/13 financial year this amount equates to R41.5 million and decreases R41 million by 2013/14. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R28.8 million for the 2013/14 financial and equates to 5% of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years. The revaluation of infrastructure assets which is currently under way will result in a higher depreciation as a result of an expected increase in asset values.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital).

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2013/14 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2012/13 financial year, this group of expenditure totals R11.4 million and has escalated by 9%.

Included in the contracted services are the following expenditure items:

Description	Amount
SECURITY (MONITORING OF ALARMS)	316 500
SECURITY SERVICES	8 805 030
CASH COLLECTION COST (DEPOSIT FEES)	277 668
RAILWAY SIDING	630 000
METER READING FEES (Water)	299 600
METER READING FEES (Electricity)	1 080 462
Total	11 409 260

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

Included in other expenditure are the following repairs and maintenance items amounting to R32.4 million:

AIR-CONDITIONERS	10 550
BUILDINGS - R&M	1 700 000
Building/Chalets	200 000
COLOURED LIGHTS	21 100
CONNECTIONS NEW	58 025
DAMS R&M	1 250 000
ELECTRICAL - 66KV RING	1 055 000
ELECTRICAL NETWORK R&M	3 806 440
FENCING - R&M	741 620
FIRE-FIGHTING EQUIPMENT	5 275
FURNITURE & EQUIPMENT R&M	841 730
GROUNDS - R&M	964 008
HEAVY MACHINERY & EQUIPMENT	2 098 304
LAWNMOWERS & EQUIPMENT	55 776
LINEN & BEDDING	84 400
PAVEMENTS R&M	73 850
PLANT COME-BACKS	52 750
R&M - WATER BOREHOLES	142 425
Reservoir repairs & maintenace	7 500
RESIDENCES R&M	20 000
RIVERBANKS	8 440
ROADS TARR R&M	3 887 675
SEWERAGE NETWORK R&M	1 065 550
STORM WATER DRAINAGE	73 850
STREETLIGHTS R&M	484 750
SWIMMING POOLS	207 385
TELEPHONE SYSTEM	25 000
TRAFFIC LIGHTS	15 825
VEHICLES - R&M	4 953 795
WATER BOREHOLES R&M	17 000
WATER METERS - R&M	548 600
WATER NETWORK R&M	1 629 975
WSSA / BLUE-DROP	6 300 000
Total	32 406 598

Other expenses mainly comprises of the following items

Item	Amount
Ward Committee	3 000 000
Fuel and Lubricants	6 020 299
Printing and Stationery	1 395 675
IT Licences	1 400 000
Departmental Charges	13 998 605
Telephone and Fax	1 134 000
Commission (Electricity Vendors)	4 009 000
Postal Services	1 279 715
Skills development levy	1 160 967
Audit Fees	2 637 500
Consultants	2 000 000
Insurance	6 814 035
Legal fees	1 650 000
SALGA Membership fees	1 530 000
Workman's compensation	1 002 250
Licences vehicles and other	794 713
Protective Clothing	1 834 829
Laboratory Fees	2 181 117
Income forgone	10 421 625
Indigent support	10 058 304
Grant Expenditure	5 976 500

1.3 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 5 2013/14 Medium-term capital budget per vote

Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital Expenditure By Vote								
Vote 1 - 1100/00 Councillors	695	55						
Vote 2 - 1200/00 Municipal Manager	1 415	602						
Vote 3 - 1300/00 Corporate Services	362	8 259				600		
Vote 4 - 1400/00 Financial Services	487	525				640		
Vote 5 - 1500/00 Technical Services	29 439	37 735		56 896	61 297	94 786	38 145	38 478
Vote 6 - 1600/00 Community Services	3 502	4 433				9 528		
Total Capital Expenditure	35 900	51 609	-	56 896	61 297	105 554	38 145	38 478

For 2013/14 an amount of R105.6 million has been appropriated for the development of infrastructure which represents 99% of the total capital budget. In the outer years this amount totals R38.1 million and R38.4 million respectively for each of the financial years. Electricity receives the highest allocation of R36 million in 2013/14 which equates to 37.5% followed by roads and storm water infrastructure at R22.8 million and then water at R15 million.

Of the R105.6 million capital budget R95.5 million is grant funded and R10 million is from own revenue

Some of the salient grant funded projects to be undertaken over the medium-term includes, amongst others:

Project Description	Planned Expenditure for 2013/2014
Moqhaka: The Upgrading of Demane Street in Constantia	136 793
Moqhaka: Marabastad - Upgrading of 11th Avennnue Road	2 508 000
Moqhaka: Matlwangtlwang - Construction of internal roads 288 to 1289 and storm water drainage	1 455 994
Moqhaka: Northleigh - Ablution Block and Internal Road for Cemetery	625 500
Moqhaka: Installation of High Mast Lights in Moqhaka	168 341
Moqhaka: Construction of Vehiclar Crossings in Maokeng	576 472
Moqhaka: Demane Street - The Provision of Proper Storm Water Drainage System	705 324
Moqhaka: Hleli Street - Upgrading of gravel road and provision of proper stormwater system in Constantia	1 798 220
Moqhaka:Lebina Street - Upgrading of gravel road and provision of proper stormwater drainage in Phomolong	2 805 288
Moqhaka: Matlwangtlwang: Upgrading of Internal raod and providing of stromwate system	2 631 072
Moqhaka: Matlwangtlwang: Upgrading of bus route and accessroad	4 042 781
Moqhaka: Morake Street - Upgrading of Gravel Road in Seisoville	3 204 656
Moqhaka: Rehabilitation and Upgrading of Water Purification Plants in Kroonstad, Viljoenskroon & Steynsrus	365 730
Moqhaka: Rammulotsi - Erf 4942 to Northleigh - Upgrading of area link	5 836 800
Gelukwaarts 2578 - 2163 Upgrading of connector road	4 712 000
Gelukwaarts 2897 - 1495 - Connector Road and Provision of Proper Storm Water (1.05km)	3 092 250
Moqhaka: Upgrading of Matlwangtlwang Sports Grounds	47 866
Moqhaka: Phomolong: Upgrading of Parking Area and Construction of Palisade Fence at Central Sports Terrain	2 508 130
Rammulotsi - Rehabilitaion of exsisting landfill site and Construction and Fencing of New Landfill Site - Phase 2	1 590 075
Rammulotsi: Upgrading of Ablution Blocks and Rehabilitation of Football Field and Construction of Netball Court at Sports Centre	3 591 742
Construction of 66kv overhead line between Main and Maokeng Substations (Phase 3)	13 980 000
Electrification of Khatliso Moeketsi	12 100 000
Installation of 2 nd 20 MVA Transformer at Maokeng Substation Phase 1	9 920 000
Upgrading Bulk Water Supply - Steynsrus	15 000 000

Some of the salient own funded capital expenditures to be undertaken over the medium-term include amongst others:

DIRECTORATE COMMUNITY & EMERGENCY SERVICES

CAPITAL ALLOCATION OF DIVISIONS FOR THE FINANCIAL YEAR 2013/2014

ADMINISTRATION	Capital allocated: R150 000		
DESCRIPTION	QUANTITY	PRICE	AMOUNT
New blinds - 2 offices		25 000	25 000
New carpets - 2 offices		50 000	50 000
New furniture for office of Director CES		75 000	75 000
		TOTAL	150 000

EMERGENCY & DISASTER MANAGEMENT ADMINISTRATION	Capital allocated: R120 000		
DESCRIPTION	QUANTITY	PRICE	AMOUNT
Tents	6	18 000	120 000
		TOTAL	120 000

TRAFFIC	Amount allocated: R360 000		
DESCRIPTION	QUANTITY	PRICE	AMOUNT
Road Marking Machine	1	125 000	125 000
		TOTAL	125 000

FIRE FIGHTING	Capital allocated: R350 000		
DESCRIPTION	QUANTITY	PRICE	AMOUNT
Pistol grip fog nozzle	6	7 068	42 408.00
Hi-pressure lifting bag set	1	102 600	102 600
Foam inline inductor with pickup tube (low)	2	6 042	12 084
Foam inline inductor with pickup tube (medium)	2	R 6 042	R 12 084
Low expansion foam nozzle	2	3 648	6 400
Medium expansion foam nozzle	2	8 379	16 758
Fire fighting (Double Jacket) 30m x 65mm	10	5 200	59 280
Hazmat Rubber Hoses 30m x 65mm	4	5 928	23 712
Foam aspirating tube for pistol grip	2	2 907	5 814
Hydrant key & bar	2	855	1 710
Standpipe	2	1 482	2 964
Fire fighting hoses (Double Jacket 30m x 45mm	4	4 788	19 152
Fire fighting hoses (Double jacket) 30m x 38mm	4	3 648	14 592
Hazmat rubber hoses 30m x 45mm	3	5 472	16 416
Hazmat rubber hoses 30m x 38mm	4	4 275	17 100
		TOTAL	353 074.00

PARKS, SPORT & RECREATION	Capital allocated: R450 000		
DESCRIPTION	QUANTITY	PRICE	AMOUNT
PA System	2	15 000	30 000
Brush cutters	8	6 000	48 000
Chainsaws	6	6 000	36 000
Sports field line marking machine	2	18 000	36 000
Provision of electricity and water at new synthetic sport ground			100 000
Resurfacing of Brentpark swimming pool			200 000
		TOTAL	450 000

LIBRARIES	Capital allocated: R21 464		
DESCRIPTION	QUANTITY	PRICE	TOTAL AMOUNT
Steynsrus Library Air conditioner	3		21 464
		TOTAL	21464

CIVIC CENTRE	Capital allocated: R150 000		
DESCRIPTION	QUANTITY	PRICE	TOTAL AMOUNT
Numatic machine - scrubber & polisher	1	24 000	24 000
Urn 25-litre	1	4 000	4 000
Microwave overns	2	1 500	3 000
Vacuum cleaner	1	6 000	6 000
Oil heaters	2	1 500	3 000
Replacement of curtains with blinds - Entertainment hall and 2 offices		50 000	50 000
Replacement of wall tiles & floor tiles - Main toilets and bar		60 000	60 000
		TOTAL	150 000

KROONPARK	Capital allocated: R150 000		
DESCRIPTION	QUANTITY	PRICE	AMOUNT
TV'S	5	1 700	8 500
ELECTRIC STOVES	5	2 000	10 000
FRIDGES	10	1 700	17 000
HEATERS	20	400	8 000
DOUBLE BEDS	10	3 500	35 000
TELEPHONE SYSTEM	1	30 000	30 000
PUMPS AND MOTOR	2	20 750	41 500
		TOTAL	150 000

REFUSE REMOVAL	Capital allocated: R120 000		
DESCRIPTION	QUANTITY	PRICE	AMOUNT
Yellow bins/Mass containers/Skips	5	24 000	120 000
TOTAL			120 000

SECURITY SERVICES	Capital allocated: R150 000		
DESCRIPTION	QUANTITY	PRICE	AMOUNT
Armoured vehicle for collecting & deposit of cash (cash in transit)	1		R 150 000

Total

R1 789 538

DIRECTORATE FINANCIAL SERVICES

CAPITAL ALLOCATION OF DIVISIONS FOR THE FINANCIAL YEAR 2013/2014

FINANCIAL SERVICES	Capital allocated: R640 105		
DESCRIPTION	QUANTITY	PRICE	AMOUNT
Vehicle for Assets division	1		R 150 000
Furniture and Equipment			R 490 105

CORPORATE SERVICES

CAPITAL ALLOCATION OF DIVISIONS FOR THE FINANCIAL YEAR 2013/2014

Records and Admin

Description	Quantity	Price	Amount
LDV	1	150 000.00	150 000.00
Industrial dual vacuum cleaner	1	9 000.00	9 000.00
Polishers	3	5 500.00	16 500.00
Fridge	1	3 500.00	3 500.00
Stapler (Heavy Duty)	2	750.00	1 500.00
Cabinets	1	10 000.00	10 000.00
2-hole punch (Heavy Duty)	2	1 100.00	2 200.00
Chairs	4	1 225.00	4 900.00
White boards	4	600.00	2 400.00
			200 000.00

Housing and Property

Description	Quantity	Price	Amount
LDV	1	150 000.00	150 000.00
Cabinets	5	10 000.00	50 000.00
			200 000.00

Information Technology

Description	Quantity	Price	Amount
Networking	1	100 000.00	100 000.00
Hardware	1	100 000.00	100 000.00
			200 000.00

Total **R600 000**

DIRECTORATE TECHNICAL SERVICES
Capital allocations for divisions for the financial year 2013/14

ROADS AND STORMWATER			
Description	Quantity	Price	Amount
Mobile Radios - Vehicles	12	4 500	54 000
Base Radio	1	5 056	5 056
Hand Radios	4	2 856	11 424
Purchase Patching Trucks	3	500 000	1 500 000
			1 570 480

ELECTRICITY - ADMIN			
Description	Quantity	Price	Amount (Incl Vat)
Portable Radios	10	2 856	28 560
HYD Crimper	1	9 600	9 600
1 ton LDV	3	250 000	750 000
Check Meters to verify Eskom Accounts	1	60 000	60 000
Testing Equipment	1	57 000	57 000
Max Demands		sum	800 000
Link Sticks	5	4 200	21 000
Cherry Pickers	1	640 000	640 000
			2 366 160

WATER AND SANITATION SERVICES			
Description	Quantity	Price	Amount (Incl Vat)
Vehicles			
1 ton LDV with canopy & pipe rack	2	256 000	512 000
Honey sucker	1	778 909	778 909
Pump stations (Sewer)			
Smit - Complete refurbish	2	150 000	300 000
B Station - Pumps & Panel	3	175 000	525 000
Pitso - Complete rebuild	2	150 000	300 000
Miscellaneous			
Tow way radios - Vehicles	8	4 500	36 000
Tow way radios - Handheld	4	2 856	11 424
Metering		sum	600 000
			3 063 333

TOTAL
6 999 973

1.4 Public participation on the draft budget

Ward Committees were utilised to facilitate the community consultation process during the month of April and May 2013, and included eleven public briefing sessions. The applicable dates and venues were published in all the local newspapers and on average attendance of 200 were recorded per meeting. This is up on the previous year's process.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2013/14 MTREF. Feedback and responses to the submissions received are available on request. The following are some of the issues and concerns raised as well as comments received during the consultation process:

- Capital expenditure is not allocated to the areas in the same ratio as the income derived from those areas. This is a normal practice in a collective taxation environment. The municipality is responsible for managing the equitable use of resources to ensure that constitutional imperative to progressively improve basic services in undeveloped areas is realized in a sustainable manner over a reasonable period of time;
- Several complaints were received regarding poor service delivery, especially waste removal backlogs, sewerage systems and the state of road infrastructure;
- Poor performance of contractors relating to infrastructure development and maintenance especially in the areas of road construction and maintenance were raised;
- Remuneration packages of council officials were criticized as being very high;
- The affordability of tariff increases, especially electricity, was raised on numerous occasions. This concern was also raised by organized business as an obstacle to economic growth;
- Pensioners cannot afford the tariff increases due to low annual pension increases; and
- During the community consultation process large sections of the community made it clear that they are not in favour of any further tariff increases to fund additional budget requests. They indicated that the municipality must do more to ensure efficiencies and value for money.